

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR ADJUSTMENT OF ELECTRIC)	
RATES OF KENTUCKY POWER COMPANY)	CASE NO. 91-066

O R D E R

On March 27, 1991, Kentucky Power Company ("Kentucky Power") filed an application for authority to implement new electric rates. The rates proposed by Kentucky Power will result in a reduction of its annual revenues of approximately \$3.3 million. Kentucky Power has requested, pursuant to KRS 278.180(2), that the proposed rates become effective for service rendered on and after April 1, 1991. The above-cited statute authorizes the Commission to implement a reduction in rates in less than the 30-day notice period prescribed in KRS 278.180(1).

A review of Kentucky Power's proposed rates indicates that while some existing rates will be reduced, others will remain the same or be increased. The proposed rates and tariffs are set forth in Kentucky Power's tariff P.S.C. Electric No. 6, Original Sheet Nos. 1 through 21. Based on the application and being advised, the Commission finds that further proceedings are necessary in order to determine the reasonableness of the proposed rates and that such proceedings cannot be completed prior to the proposed effective date. Pursuant to KRS 278.180(2), the Commission finds good cause to allow the proposed reduced rates to

become effective on April 1, 1991. However, the proposed reduced rates should be effective and collected subject to refund with interest in the event that the Commission, after investigation, finds that the reduced rates are unfair, unjust, or unreasonable. As to the other proposed rate changes, they cannot go into effect except upon 30 days notice to the Commission pursuant to KRS 278.180(1), which will be April 26, 1991.

IT IS THEREFORE ORDERED that:

1. Kentucky Power's proposed tariff P.S.C. Electric No. 6, with the exception of the specific tariff sheets enumerated in Ordering Paragraph No. 2, be and it hereby is suspended pursuant to KRS 278.190(2) up to and including September 25, 1991.

2. Kentucky Power's proposed reduced rates set forth in its tariff P.S.C. Electric No. 6, Original Sheet Nos. 4-1, 5-1, 5-2, 7-1, 8-1, 8-2, 8-3, 9-1, 9-2, 9-3, 10-1, 10-2, 11-1, 11-2, 12-1, 12-2, 12-3, 13-1, 15-1, 15-2, 19-1, and 19-2 shall become effective and collected subject to refund with interest for service rendered on and after April 1, 1991.


3. Kentucky Power shall provide public notice of the proposed rates in accordance with the provisions set out in 807 KAR 5:011, Section 8(2) and (3).

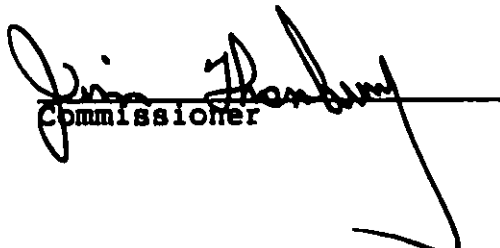
4. Kentucky Power shall file its direct testimony in verified prepared form by April 12, 1991.

Done at Frankfort, Kentucky, this 1st day of April, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director